

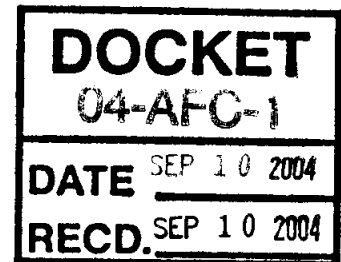
CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov



September 10, 2004

Ms. Karen Kubick
San Francisco Public Utilities Commission
City and County of San Francisco, General Management Office
1155 Market Street, Floor 11
San Francisco, CA 94103



Dear Ms. Kubick:

**RE: SAN FRANCISCO ELECTRIC RELIABILITY PROJECT (SFERP) DATA REQUESTS,
SET 2**

Pursuant to Title 20, California Code of Regulations, section 1716, the California Energy Commission requests the information specified in the enclosed data requests. The information requested is necessary to: 1) more fully understand the project, 2) assess whether the facility will be constructed and operated in compliance with applicable regulations, 3) assess whether the project will result in significant environmental impacts, 4) assess whether the facilities will be constructed and operated in a safe, efficient and reliable manner, and 5) assess potential mitigation measures.

On September 2, 2004 the Energy Commission received comments from the United States Fish and Wildlife Service (USFWS) requesting additional information to clarify potential impacts to biological resources as described in the Application For Certification (AFC). Therefore, the attached data requests are being made in the areas of: Biological Resources (#157-159). Written responses to the enclosed data requests are due to the Energy Commission staff on or before October 11, 2004, or at such later date as may be mutually agreed upon.

If you are unable to provide the information requested, need additional time, or object to providing the requested information, please send a written notice to the Committee and me within 10 days of receipt of this notice. The notification must contain the reasons for the inability to provide the information or the grounds for any objections (see Title 20, California Code of Regulations, section 1716 (f)).

If you have any questions regarding the enclosed data requests, please call me at (916) 654-4206.

Sincerely,

BILL PFANNER
Energy Facility Siting Project Manager

Enclosures

cc: Docket (04-AFC-1)
Proof of Service

PROOF OF SERVICE (REVISED 7/9/04) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON TE

San Francisco Electric Reliability Project

Data Requests

(04-AFC-01)

Technical Area: Biological Resources

Author: Rick York

BACKGROUND

Staff and the U. S. Fish and Wildlife Service (USFWS) are concerned about potential impacts from the project's nitrogen oxide compounds (NO_x) and ammonia (NH₃) emissions onto San Bruno Mountain located approximately 4.5 miles southwest of the project site. Nitrogen deposited on nitrogen-poor soils can act as a fertilizer stimulating the growth of non-native plants, which could cause significant adverse impacts to federal protected butterfly species. The AFC does not provide an analysis of existing conditions and the potential for increased nitrogen deposition on San Bruno Mountain. Staff needs the analysis to determine if impacts are likely and suitable mitigation, if necessary.

DATA REQUESTS

- 157 Please provide a modeling analysis of the ambient nitrogen deposition rate and the addition that the SFERP project would contribute on San Bruno Mountain.
- 158 Please provide an analysis of cumulative nitrogen deposition impacts of the new project in combination with existing, background deposition rates. Please discuss various cumulative impact scenarios that both include and exclude the Hunters Point Power Plant and Potrero facilities.
- 159 Please provide an analysis of the potential impacts of any increased nitrogen deposition on serpentine grasslands and other habitats on San Bruno Mountain and the East Bay and identify any mitigation measures to reduce those impacts.



United States Department of the Interior

FISH AND WILDLIFE SERVICE

Sacramento Fish and Wildlife Office
2800 Cottage Way, Room W-2605
Sacramento, California 95825-1846



In reply refer to:
1-1-04-TA-1703

Mr. William Pfanner
California Energy Commission
1516 Ninth Street, MS-15
Sacramento, California 95814

DOCKET	
04-AFC-1	
DATE	SEP 02 2004
RECD.	SEP 08 2004

SEP 02 2004

Subject: Comments on San Francisco Electric Reliability Project, San Francisco,
San Francisco County, California

Dear Mr. Pfanner:

This is in response to your April 23, 2004, request for review of the Application for Certification (AFC) for the San Francisco Electric Reliability Project (SFERP) in San Francisco, San Francisco County, California, relative to requirements of the Endangered Species Act of 1973, as amended (Act). The U.S. Fish and Wildlife Service (Service) received your request on April 29, 2004.

The objectives of the proposed project are to improve the City of San Francisco's (City) electricity reliability; to facilitate the shutdown of older, more polluting electricity-producing plants in the City; and to minimize the local impacts of electrical generation. The SFERP would consist of the construction of a nominal 145 megawatt simple-cycle power plant. The project site is located adjacent to San Francisco Bay in the Potrero District of San Francisco, within the existing Potrero Power Plant site. The plant would use three natural gas-fired LM 6000 turbines and associated infrastructure to provide electricity generation. The project would include the construction of a new air-insulated 115-kV switchyard on the west side of the site. A new 250-foot long, 12-inch diameter pipeline would supply natural gas for the facility. The pipeline would tie in to an existing PG&E natural gas load center located adjacent to the PG&E Potrero Substation. The City would provide process water to the new plant through a new water pumping station for onsite water treatment at the facility. Plant wastewater and reject water from the water treatment system would be discharged into the City's combined sewer system.

The Service has determined that the actual construction of the power plant and associated construction-related activities on the existing Potrero Power Plant site would not result in take of listed species. The project site is paved, contains very little vegetation, and does not provide suitable habitat for listed species. Take is defined by the Act as "to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect" any such animal. Take may include significant

TAKE PRIDE
IN AMERICA 

habitat modification or degradation where it actually kills or injures wildlife by significantly impairing essential behavioral patterns, including breeding, feeding, or shelter (50 CFR 17.3). The Service is concerned about operational aspects of the new facility, including the increased emissions of nitrogen oxide compounds (NO_x) and ammonia (NH_3) and the potential for precipitation of these compounds onto San Bruno Mountain which is located approximately 4.5 miles southwest of the project site. Portions of San Bruno Mountain contain serpentine soils which are characterized by a grassland community in which the soils are naturally nutrient poor, containing low levels of nitrogen, potassium, phosphorus and other nutrients. Nitrogen containing emissions, such as NO_x and ammonia, deposit on serpentine soils and act as a fertilizer which stimulates the growth of non-native invasive plants. Nitrogen deposition can also impact non-serpentine grasslands in the same way (Weiss 1999). The nitrogen deposition rate considered sufficient to affect serpentine ecosystem structure and diversity is 3 to 10 kg/ha-yr (Weiss 1999). Numerous listed plant and animal species are adapted to the conditions present on areas containing serpentine soil habitat. Listed species on San Bruno Mountain that are associated with native grasslands (including serpentine grasslands) include the largest documented population of the endangered callippe silverspot butterfly (*Speyeria callippe callippe*), the endangered San Bruno elfin butterfly (*Callophrys mossii bayensis*), and the endangered mission blue butterfly (*Icaricia icarioides missionensis*). In addition, critical habitat has been designated on San Bruno Mountain for the threatened bay checkerspot butterfly (*Euphydryas editha bayensis*). San Bruno Mountain also provides habitat for numerous species of rare plants, some of which are associated with serpentine habitat.

The AFC does not provide a thorough analysis of the potential for increased NO_x deposition on San Bruno Mountain. The AFC discusses the effects of NO_x deposition on native grassland communities and states that due to prevailing winds the SFERP operation is not expected to contribute to significant NO_x deposition on San Bruno Mountain. However, no analysis is presented in the AFC that supports this statement. The Service requests a thorough modeling of the current ambient nitrogen deposition rates (from all sources) on San Bruno Mountain, expected deposition rates from the new plant when combined with the current ambient deposition rates, and expected deposition rates from the operation of the new power plant (combined with all other sources) and the closure of the Hunters Point Power plant. This analysis will allow a comparison between current nitrogen deposition, nitrogen deposition when the new plant is operational and all other plants continue to operate, and deposition rates that would occur with operation of the new power plant and closure of the Hunters Point Power plant. The analysis should include a discussion of the potential impacts of any increased levels of nitrogen deposition on San Bruno Mountain and measures that could be implemented to reduce those impacts. Also, the analysis should consider if East Bay serpentine grassland communities also would be affected by increased nitrogen deposition from the new power plant. The AFC states that prevailing winds would prevent significant levels of deposition on San Bruno Mountain; however prevailing winds may send much of the emissions into the East Bay, including grasslands in the region.

The Service supports newer, less-polluting power generating facilities such as the power plant proposed in the SFERP. In addition, we support retro-fitting the existing plants to reduce emissions as mentioned in the AFC. As discussed in the AFC, one of the project objectives is to

close older, more polluting electricity generating plants, including Hunters Point Power Plant. However, the AFC presents no timeline for closure of these power plants, nor a firm commitment to closure. Therefore, the SFERP plant would contribute additively to emission levels in the San Francisco Bay area if older, higher polluting plants remain operational; particularly the Hunters Point Power Plant. These additive emissions may result in take of the listed butterfly species and/or their habitat on San Bruno Mountain. If the Hunters Point Power Plant was closed upon startup of the SFERP plant, the Service would likely have fewer concerns regarding the potential impacts of the SFERP to serpentine habitats on San Bruno Mountain because overall emissions in the area may decrease with the new SFERP plant. Therefore, the Service strongly encourages the timely closure of the Hunters Point Power Plant and the retro-fitting of the other power plants in the area once the new plant is operational. These measures would serve to potentially reduce nitrogen deposition rates on San Bruno Mountain as well as serpentine grasslands located in the East Bay.

Take incidental to an otherwise lawful activity may be authorized by one of two procedures:

If a Federal agency is involved with the permitting, funding, or carrying out of a project that may result in take, then that agency must engage in a *formal consultation* with the Service. During formal consultation, the Federal agency, the applicant, and the Service work together to avoid or minimize the impact on listed species and their habitat. Such consultation would result in a *biological opinion* by the Service addressing the anticipated effect of the project on listed and proposed species. The opinion may authorize a limited level of incidental take.

If no Federal agency is involved with the project, and federally listed species may be taken as part of the project, then the applicant should apply for an *incidental take permit*. The Service may issue such a permit if a satisfactory habitat conservation plan (HCP) for the species that would be affected by the project is submitted to us. Should surveys determine that federally listed or proposed species occur in the area and are likely to be affected by the project, we recommend that the applicant work with this office and the California Department of Fish and Game to develop an HCP that minimizes the project's direct and indirect impacts to listed species and mitigates for project-related loss of habitat. The applicant should include the plan in any environmental documents filed.

If you have any questions regarding our comments on the AFC for the SFERP, please contact Mary Hammer or Dan Buford at (916) 414-6625.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cay C. Goude', with a stylized, cursive script.

Cay C. Goude
Acting Field Supervisor

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE
STATE OF CALIFORNIA**

**APPLICATION FOR CERTIFICATION
FOR THE SAN FRANCISCO ELECTRIC
RELIABILITY PROJECT**

**Docket No. 04-AFC-01
PROOF OF SERVICE
*Revised 7/9/04**

I, **Theresa Epps**, declare that on **September 10, 2004**, I deposited copies of the attached **Data Requests, Set 2** for the San Francisco Electric Reliability Project in the United States mail in Sacramento, CA with first class postage thereon fully prepaid and addressed to the following:

DOCKET UNIT

*Send the original signed document plus
12 copies to the following address:*

**CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 04-AFC-01
DOCKET UNIT, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512**

*In addition to the documents sent to the
Commission Docket Unit, also send
individual copies of all documents to:*

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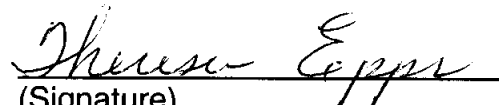
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I declare that under penalty of perjury that the foregoing is true and correct.


(Signature)

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Parties DO NOT mail to the following individuals. The Energy Commission Docket Unit will internally distribute documents filed in this case to the following:

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